

**CITY OF AIRDRIE
CORPORATE REIMBURSEMENT POLICY**

Effective Date:	<u>August 4, 1998</u>	Revision Date:	<u>July 18, 2005</u>
Approved By:	<u>City Council</u>	Resolution #:	<u>2005-C-309</u>
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PURPOSE

It is the policy of the City of Airdrie to reimburse for reasonable, legitimate and necessary expenditures incurred by individuals while representing the City, engaging in official City business, attending meetings, conferences, seminars or other training opportunities.

To provide guidelines to staff for consistency and accountability it is essential to have a clear and understandable policy supported by sound procedures clearly defining authority to attend, funding source, permitted expenses, payment limits and reporting requirements.

It is assumed and expected that expenses will be consistent with the best interests of the City and its desire to minimize costs. Nothing in this policy is intended to permit any payments that can be construed as income or other compensation. The authority to incur expenses shall be based on budgetary constraints and the circumstances wherein the conduct of City business warrants the incurrence of an expense.

SCOPE

This policy will cover issues dealing with:

1. administration;
2. claims from petty cash fund;
3. issuance and use of corporate credit cards;
4. issuance of funds in advance of expenditures;
5. qualified reimbursable expenses;
6. traveling expenses and limits;
7. reimbursement for training and education purposes; and
8. professional & individual memberships

1. ADMINISTRATION

- 1.1. This policy will be administered by the Finance and Procurement Services Department. All reimbursement/expense claims are subject to review and internal audit verification. Claims that are rejected or any items of dispute will be submitted to the Finance Director for arbitration.

- 1.2. It shall be the responsibility of Procurement in conjunction with the Finance Director to adopt, publish and ensure compliance with procedures consistent with this policy and to provide forms accompanied by instructions for their implementation. A schedule of rates and limits will be established and published by the Finance Director at the beginning of each calendar year.
- 1.3. All expenditures must be budgeted, authorized and approved by the appropriate Team Leader. Expenditures by the City Mayor and City Manager should be approved by the Finance Director or Finance Director's designee.
- 1.4. Team Leaders are responsible for disseminating this information to other affected personnel within their respective departments.
- 1.5. Where it is determined that an employee has falsified their expense claim, any overpayment shall be recovered and appropriate disciplinary action taken against the employee including possible termination of employment. An employee is not entitled to a reimbursement of expenditures unless the expenditure is actually made.
- 1.6. The failure to comply with this policy fully and in a timely manner may result in the forfeiture of right to reimbursement for any expenses claimed and at the discretion of the Finance Director shall require the immediate return of all money advanced.
- 1.7. The City Manager or City Manager's designee has the authority to grant specific exceptions to this policy when such is determined to be in the best interest of the City and the expense must be clearly identified as an "exceptional expense".

2. PETTY CASH FUND

- 2.1. The purpose of the petty cash fund is to reimburse employees who have paid cash for a City purchase of goods or services and/or legitimate expenses incurred while on City business. Petty cash funds are intended to cover minor disbursements. Employees may be reimbursed from petty cash funds for authorized purchases that total less than the petty cash limit established by Finance/Procurement.
- 2.2. There may be petty cash funds situated at the following locations:

City Hall	Accounts Receivable Clerk
Public Works Building	PW Administrative Assistant
Emergency Services (57 Station)	Administrative Assistant
Recreation & Wellness Centre	Financial Coordinator
Procurement Services	Buyer/Courier

Staff members listed above, as Controller, will be responsible for the administration of their respective funds under this policy.
- 2.4. Petty cash funds will not provide cash advances under any circumstances.

- 2.5. Receipts should be submitted within one month of the occurrence to be considered.

3. ISSUANCE AND USE OF CORPORATE CREDIT CARDS

- 3.1. Credit cards may be distributed to those City officials and employees who have job responsibilities which would cause their job performance to benefit by use of a credit card. Requests for personnel to be issued a corporate credit card must be made by the employee's Director and approved by the Finance Director.
- 3.2. Procurement will be responsible for updating guidelines and accounting controls subject to the approval by the Finance Director to ensure the proper usage of credit cards.
- 3.3. Procurement will maintain and monitor the system for the distribution, authorization and control of credit cards issued to or for the benefit of the city and used by city officials and employees.
- 3.4. Cash advances should not be drawn using City credit cards except in emergency situations.
- 3.5. Any charges not verifiable by an appropriate receipt will be the responsibility of the cardholder. Exceptions must be approved by the Finance Director.
- 3.6. Card limits may be increased temporarily for unusual circumstances such as extended, out-of-province or out-of-country business travel by submitting a written request to Procurement Services outlining the reasons for the change/increase.

4. ISSUANCE OF FUNDS IN ADVANCE OF EXPENDITURE

- 4.1. The purpose of this fund is to provide reasonable allowances in advance of travel to minimize the impact on the personal finances of employees and officials when they are traveling for the benefit of the City. This fund is to provide cash for what would normally be out of pocket expenses for the employee. It is not to provide room deposits or pay conference fees.
- 4.2. Requests for reasonable estimates of travel expenses shall be made at least one week before it is required and be submitted on forms provided by the Finance Department. The forms shall be completely filled out and approved by the department head or as appropriate.
- 4.3. Settlement of advanced funds must be made on or before the 10th day following return from travel by submitting a fully itemized travel expense claim form with appropriate approvals to Accounts Payable. If the traveler's expenses were less than the advanced amount, the unspent portion of the advance must accompany the form. If the traveler's expenses were in excess of the amount advanced, a cheque for the difference will be issued.

5. GENERAL INFORMATION ON QUALIFIED REIMBURSABLE EXPENSES

- 5.1. Any claim for reimbursement of expenditures must be accompanied by documentation detailing the business purpose of the expenses; the names of the persons involved and include receipts or other acceptable satisfactory proof of payment of the expenditures. Claims submitted without this information may be denied or considered a taxable benefit and paid accordingly.
- 5.2. Individuals have the responsibility for becoming knowledgeable about authorized expenditures and the documentation required. Care must be taken to avoid unnecessary or excessive expenditures and those not directly and reasonably related to the conduct of City business
- 5.3. Requests for reimbursements must be within the budget year the expense took place. No reimbursement request will be authorized for any expense taking place in a previous budget year.
- 5.4. The City will not pay or reimburse expenses for non-business related guests or spouses of staff to attend a business event.
- 5.5. Staff expenses including travel costs when acting as instructors, participating on a panel, delivering speeches, etc. at a professional conference should, where possible, be borne by the sponsoring organization.
- 5.6. If any reimbursement for expenses is due from another agency, it will be the employee's responsibility to initiate the claim and ensure the funds are received.
- 5.7. When attending external conferences, consideration should be given to the number of staff attending from one department.
- 5.8. Sharing of the materials from attendance at conferences and training is encouraged and Staff members are expected to share the skills and knowledge acquired at these activities with other staff.
- 5.9. Reasonable expenses incurred during attendance at conferences or training programs and pre-approved incidental costs incurred in the performance of assigned duties shall be reimbursed only as authorized. In all circumstances proper receipts are required and must be submitted in an orderly manner with the expense report.
- 5.10. Meal reimbursements are limited to actual expenses. Expense must be budgeted and the employee's attendance must directly benefit the City. Also required is a description of the event, an explanation of the business purpose and a recap of who attended the meal. It is our preference that receipts be submitted; however employee may choose to submit for a meal allowance in accordance with the schedule of rates. In the absence of a receipt a note detailing the meal expenses may be submitted. Claims submitted without this information may be denied or considered a taxable benefit and paid accordingly.

- 5.11. Staff may not claim for meals that are provided or included by the conference, seminar, airline or hotel.
- 5.12. As a guideline, meals costs should not exceed the per day rates as set by the Finance Director, excepting unusual circumstances.
- 5.13. Claims for alcoholic beverages are discouraged, unless the circumstances of the event require otherwise.
- 5.14. Expenses for personal entertainment (including refreshments) and recreation activities are considered by CRA (Canada Revenue Agency) to be a taxable benefit and will not be reimbursed by the City. (e.g. in-room movies, additional activities at conferences, etc.)
- 5.15. The City will not pay or reimburse costs for any tickets, fines or penalties resulting from a violation of any Local, Provincial or Federal Statute.

6. QUALIFIED TRAVEL EXPENSES

- 6.1. Employees are encouraged to contact Procurement Services prior to making any travel arrangements to establish the most economical route, transportation method and current travel purchasing method(s).
- 6.2. Where travel is authorized, the most direct and economical route and method of transportation shall be used unless otherwise authorized. Staff should make use of dedicated City vehicles as a first option and should negotiate use if already booked. Car rental vs. personal mileage should be weighed and the most economical method chosen. Where an employee chooses to use a method of transportation other than prescribed, the employee shall be reimbursed as though the method of transportation prescribed was used.
- 6.3. Accommodation: The City of Airdrie should be registered to take advantage of any "government" or "corporate" rate. If the rate is higher due to persons other than the employee sharing the room, the employee is responsible for reporting and paying the rate increase. Any accommodation rate greater than per night limit set by Finance must receive prior approval from the employee's Team Leader.
- 6.4. Air transportation and hotel/motel accommodations should be billed directly to the City by the vendor. Arrangements for this can be made by contacting Procurement/Accounts Payable.
- 6.5. An employee may, with prior consent, select the route and method of transportation to combine personal activities with City business. Reimbursement shall be based only on expenses that would have applied had the trip been made only for business purposes. If personal activities extend the period of time required for a trip, the additional time should be approved as vacation or leave without pay.
- 6.6. Employees must complete an itemized travel expense report upon return from travel with appropriate documentation supporting expenses being claimed.

- 6.7. Vehicle mileage: If an employee (other than Inspectors, City Assessors or Utility Technicians) must drive to a destination because a City pool vehicle was not available or practical, and a car rental is not a lesser expense, a per kilometer mileage expense can be submitted and will be paid at the current CRA Guideline rate. The CRA rate will be published by Finance at the beginning of each calendar year
- 6.8. City Inspectors and Assessors may be paid at a higher rate as established by Finance at the beginning of each calendar year. Employees paid at any rate above the current CRA Guideline are responsible for maintaining their own detailed records of costs and mileage in order to defend any potential reassessments by Revenue Canada that may occur. Rates paid above this CRA guideline may be considered a taxable benefit according to CRA. All costs and penalties assessed to an employee on reassessment is not the responsibility of the City of Airdrie. (A reminder that fines and penalties are applicable in a personal audit situation where an individual cannot substantiate mileage records).
- 6.9. Employees who use their vehicles on a regular basis to carry out the duties of their employment are required to obtain appropriate business use automobile insurance coverage and to provide proof of adequate insurance annually to Accounts Payable at the time of each insurance renewal. It is expected that any City of Airdrie staff person using their personal vehicle for any business purpose is properly insured and carry a minimum of \$1,000,000 liability.
- 6.10. The per kilometre rate outlined in this policy includes all operating costs of employment use of private vehicles including business insurance and accordingly no further payment will be made." A complete and duly authorized Mileage Report Form must be submitted to claim the expense
- 6.11. Requests for mileage reimbursement must be submitted on the form provided by Finance and shall include as a minimum the date, the destination, purpose and distance traveled. In order for reimbursement to not be considered a taxable benefit, the City must (upon request) provide proof that mileage paid was based strictly on business related kilometers traveled.
- 6.12. Other Ground Transportation: Air Limousine, Taxi and/or buses will be reimbursed at cost with a proper receipt being submitted. Car rentals should be used at destination when such rental will be more economical and/or practical than ground transportation rates.
- 6.13. When two or more employees are attending the same event, car pooling shall be practiced whenever possible.
- 6.14. When feasible employees will conserve City travel funds by considering cost saving alternatives (e.g. sharing rides, sharing rooms).
- 6.15. Where private arrangements for accommodations are made, and commercial facilities are not used, an allowance as determined by the Finance Director may be

claimed. The intent of this allowance is to show appreciation to the host for the accommodation.

- 6.16. Reasonable tips and gratuities shall be reimbursable (should not to exceed 15% of cost of service).
- 6.17. After the first 24 hours away from the employee's normal place of residence, a daily allowance (at rate determined by Finance) for personal expenses may be submitted. This allowance is intended to cover personal expenses (e.g. toothbrush, razor) and need not be supported by receipts or vouchers.
- 6.18. It is acceptable to request reimbursement for a reasonable daily phone call home when you are required to be away on City business.

7.0 QUALIFIED TRAINING and EDUCATION EXPENSES

The City of Airdrie is committed to providing an environment conducive to continuous learning, to establish a sense of fairness and consistency in delivery of learning opportunities, and to ensure that all employees have access to resources and opportunities.

- 7.1 The City is committed to providing training and development within available resources. Resources will be allocated in order to maximize employees' professional, technical and personal development and provide a return-on-investment to the organization.
- 7.2 The City of Airdrie will support financially within the terms negotiated with each employee and circumstance.
- 7.3 An employee must sign a service contract prior to commencing a course of learning where the dollar amount to be funded by the City is determined to be significant.
- 7.4 Based on identified needs, team leaders shall budget annually for departmental learning activities and prioritize the allocation of approved funds and associated travel dollars.
- 7.5 The importance of distributing funds for staff development activities equitably is acknowledged. The following considerations will assist in the allocation of available resources:
 - Availability and expenses of alternative training opportunities
 - Degree to which the activity enhances the employee's ability to carry out current responsibilities
 - Contributes to personal growth and development
 - City Strategic priorities and Vision
 - Needs of the operation in the employee's department
- 7.6 Employees are accountable for identifying their training needs and for recognizing that this is an investment in both themselves and the organization

- 7.7 In order to optimize limited resources, and to be accountable for public spending, the following training areas have been identified:
- Technical, professional, and/or required competency training in order to attain or maintain necessary qualifications
 - Career-related training to increase competence in an employee's present career or prepare employees for assuming increased responsibility within the organization
 - Personal development offers personal growth to the employee that is consistent with our core values and organizational objectives
- 7.8 Attendance by staff at appropriate conferences, conventions and forums, individual courses, seminars and workshops for the purposes of development and networking and to ensure that the City of Airdrie's interests are represented is encouraged.
- 7.9 Where training has been approved and budgeted, the City will pay for normal associated expenses, such as: Registration fees, books/materials, personal vehicle mileage and meals that are not provided where training is outside the Calgary area and/or where training is mandatory. Common educational materials paid for by the City remain the property of the City and should be housed in a library for shared use by other staff.
- 7.10 City of Airdrie will comply with CRA requirements when training is considered a taxable benefit.
- Training/education taken for the maintenance or upgrading of employer-related skills is considered non-taxable.
 - General employment-related training not directly related to the employee's position or the employer's business (e.g. stress management) would be considered as beneficial to the employer and therefore also non-taxable.
 - Courses for personal interest or technical skills that are not related to the employer's business may be considered to be of primary benefit to the employee, and therefore a taxable benefit (e.g. an office clerk taking a cooking course).
- 7.11 For approved out-of-town courses, workshops, seminars and conferences, travel expenses may be reimbursed in accordance with Section 6.
- 7.12 When a staff member attends an external training activity subsidized in whole or in part by the City, arrangements to pay or reimburse authorized expenses are made in accordance with financial procedures designed to ensure appropriate controls. Staff members are asked to consolidate all related expenses in one claim. It is preferred that the City of Airdrie make direct payment to the service provider
- 7.13 Regular earnings (salary) will be maintained while attending a course, seminar, conference. No additional consideration in either the form of pay or time off will

be granted on those occasions when the course and/or travel may extend outside normal working hours, nor in the event that a stat holiday or regular day off occurs during the absence.


- 7.14 Those employees *required* to attend courses on their regular days off shall be reimbursed with compensating time off or wages.
- 7.15 Employees are paid for their time to attend City-required courses (e.g. Communicating for Results, Safety Training, and Accountability Agreement Training). Wherever possible, shifts should be adjusted so that pay is at straight time.
- 7.16 If an employee wishes to take a continuing education course outside of regular work hours (e.g. SAIT, UofC, Bow Valley, etc.) the employee must apply in advance to their Team Leader for approval to be reimbursed
- Employee will normally attend the course on his/her own time
 - Employee is responsible to pay for parking, meals, etc.
 - No mileage expenses will be paid for commuting to/from continuing education classes attended in Olds, Calgary or Airdrie.
 - City of Airdrie vehicles are to be used only in exceptional circumstances.

8.0 PROFESSIONAL AND INDIVIDUAL MEMBERSHIP FEES

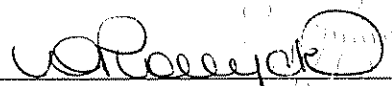
- 8.1 Team leaders may recommend corporate or individual memberships in professional organizations with national, regional, and/or local affiliation.
- 8.2 Professional or individual membership fees paid on behalf of an employee are not considered by CRA to be a taxable benefit as long as the fees are considered to be more advantageous to the employer than the employee, or are a condition/requirement of the position.
- 8.3 The CRA does not allow reimbursement for memberships in any club organized solely for pleasure, recreation, or other social purpose, or if the membership is primarily in the interest of the employee. This includes hotel and airline clubs.

**CORPORATE REIMBURSEMENT POLICY
SCHEDULE OF RATES**

EXPENSE CATEGORY	Description/Explanation	ALLOWABLE CLAIM
Petty Cash		\$50 per transaction
Meal Allowance	Requires no receipts	Breakfast: \$10 Lunch \$10 Dinner \$20
Accommodation rate	Higher rates require additional approval	\$150 per night
Vehicle mileage	All staff	CRA rates
Vehicle mileage	Building inspectors/Assessors/Utility Technicians	CRA rates plus \$.15/km up for first 5,000 km/yr. CRA rates for next 5,000 km.
Private accommodation allowance		\$50 per day
Personal expense allowance		\$5/day after 24 hours



 Mayor



 City Clerk